

AS

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 98-640-C - ORDER NO. 1999-228
MARCH 30, 1999

IN RE: Application of dPi Teleconnect, Inc. for a) ORDER /MR
Certificate of Public Convenience and) APPROVING
Necessity to Provide Local Exchange) CERTIFICATE
Telecommunications Services within the State)
of South Carolina.)

This matter comes before the Public Service Commission of South Carolina ("the Commission") by way of the Application of dPi Teleconnect, Inc. ("dPi" or "the Company") for a Certificate of Public Convenience and Necessity for authority to provide local exchange telecommunications services within the State of South Carolina. The Application was filed pursuant to S.C. Code Ann. Section 58-9-280 and the Regulations of the Commission.

By letter, the Commission's Executive Director instructed dPi to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the areas affected by the Application. The purpose of the Notice of Filing was to inform interested parties of the manner and time in which to file the appropriate pleadings for participation in the proceedings. dPi complied with this instruction and provided the Commission with proof of publication of the Notice of Filing.

A Petition to Intervene was received from the South Carolina Telephone Coalition ("SCTC"). On February 25, 1999, Counsel for SCTC filed with the Commission a

Stipulation in which dPi stipulated that it would only seek authority in non-rural local exchange ("LEC") service areas of South Carolina and that it would not provide any local service to any customer located in a rural incumbent's service area, unless and until dPi provided written notice of its intent prior to the date of the intended service. dPi also stipulated that it was not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas. dPi agreed to abide by all State and Federal laws and to participate to the extent it may be required to do so by the Commission in support of universally available telephone service at affordable rates. The SCTC withdrew its opposition to the granting of a statewide Certificate of Public Convenience and Necessity to dPi provided the conditions contained in the Stipulation are met. The Stipulation is approved and attached as order Exhibit 1.

A hearing was commenced on March 10, 1999, at 11:30 a.m., in the Commission's Hearing Room. The Honorable Guy Butler, Chairman, presided. dPi was represented by John F. Beach, Esquire. Jocelyn Green, Staff Counsel, represented the Commission Staff.

David M. Pikoff, Vice-President and a member of dPi Teleconnect, L.L.C., appeared and offered testimony in support of dPi's application. The purpose of Pikoff's testimony was to explain the local exchange services dPi proposes to offer in South Carolina and to review dPi's qualifications to provide such services.

DISCUSSION

S.C. Code Ann. Section 58–9–280 (Supp. 1997) provides that the Commission may grant a certificate to operate as a telephone utility...to applicants proposing to furnish local telephone services in the service territory of an incumbent LEC.

After full consideration of the applicable law, dPi's application, and evidence submitted by dPi, the Commission finds and concludes that the Certificate sought by dPi should be granted. The Commission's determination is based on the following criteria as provided in S.C. Code Ann. Section 58–9–280 (Supp. 1997) and the evidence submitted in support of the motion which relates to that criteria:

1. The Commission finds that dPi possesses the technical, financial, and managerial resources sufficient to provide the services requested. S.C. Code Ann. Section 58–9–280(B)(1) (Supp. 1997). Mr. Pikoff stated that dPi's management team includes individuals with experience in business and telecommunications. The testimony also reveals that dPi is financially able to provide telecommunications services in South Carolina. Based on the undisputed testimony of Mr. Pikoff, the Commission finds that dPi possesses the technical, financial, and managerial resources sufficient to provide the services requested.

2. The Commission finds that dPi will provide services which will meet the service standards of the Commission. S.C. Code Ann. Section 58–9–280(B) (Supp. 1997). Mr. Pikoff's testimony indicated that dPi seeks to provide intrastate local telecommunications services. Mr. Pikoff indicated that dPi will comply with all applicable rules, policies and statutes applicable to the offering of those services. Based

on the undisputed testimony of Mr. Pikoff, the Commission believes, and so finds, that dPi will provide telecommunications services that will meet the service standards of the Commission.

3. The Commission finds that dPi's "provision of service will not adversely impact the availability of affordable local exchange service." S.C. Code Ann. Section 58-9-280(B)(3) (Supp. 1997). Pikoff's testimony reveals that dPi believes that approval of its Application will further the public interest by making local service more accessible and affordable. Therefore, based on the undisputed evidence of record, the Commission finds that provision of local exchange services by dPi will not adversely impact affordable local exchange service.

4. The Commission finds that dPi will support universally available telephone service at affordable rates. S.C. Code Ann Section 58-9-280 (B)(4) (Supp. 1997). dPi agreed in the Stipulation with the SCTC to participate in the support of universally available telephone service at affordable rates as required by State and Federal laws and as required by the Commission's Rules and Regulations. Further, the Stipulation stated that dPi would comply with the Commission's universal service. Based on the undisputed evidence of record, the Commission finds that dPi will participate in support of universally available telephone service at affordable rates.

5. The Commission finds that the provision of local exchange service by dPi "does not otherwise adversely impact the public interest." S.C. Code Ann. Section 58-9-280(B)(5) (Supp. 1997). Mr. Pikoff offered testimony that the approval of dPi's application will increase the availability of affordable local services for South Carolina's

local market. Further, Mr. Pikoff stated that dPi's entrance into the market will provide access to local service to individuals who may not qualify for local service under any other circumstances. Therefore, based on the undisputed evidence of record, the Commission finds that approval of dPi's Application to provide local exchange service "does not otherwise adversely impact the public interest." S.C. Code Ann. Section 58-9-280(B)(5) (Supp. 1997).

6. The Commission grants dPi's request that it not be required to publish local exchange directories. Further, the Commission grants the Company's request that it be exempt from keeping its records within the State of South Carolina. Finally, the Commission denies all other requests by dPi for waivers of reporting requirements.

7. The Commission Staff shall monitor the activity of this Company.

Therefore, based on the findings above, the Commission finds and concludes that a Certificate of Public Convenience and Necessity should be granted to dPi.

IT IS THEREFORE ORDERED THAT:

1. The Application of dPi for a Certificate of Public Convenience and Necessity to provide competitive intrastate local exchange services in the non-rural local exchange service areas is approved. dPi is hereby authorized to provide competitive local exchange services in these areas in South Carolina. The terms of the Stipulation between dPi and SCTC are approved, and adopted as a portion of this Order. Any proposal to provide such service to rural service areas is subject to the terms of the Stipulation.

2. dPi shall file, prior to offering local exchange services in South Carolina, its final tariff of its local service offerings conforming to all matters discussed with Staff

and comporting with South Carolina law in all matters. Any proposed change in the rates reflected in the tariff for local services which would be applicable to the general body of the Company's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. Section 58-9-540 (Supp. 1998).

3. dPi shall, in compliance with Commission regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relation (complaint) matters, engineering operations, and tests and repairs. In addition, dPi shall provide to the Commission in writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies which occur during non-office hours. dPi shall file with the Commission the names, addresses, and telephone numbers of those representatives within thirty (30) days of receipt of this Order. (Attachment A shall be utilized for the provision of this information to the Commission.) Further, dPi shall promptly notify the Commission in writing if the representatives are replaced.

4. dPi shall conduct its business in compliance with Commission decisions and Orders, both past and future, including but not limited to, any and all Commission decisions which may be rendered in Docket No. 96-018-C regarding local competition.

5. The Commission grants dPi's request that it not be required to publish local exchange directories. Further, the Commission grants the Company's request that it be exempt from keeping its records within the State of South Carolina. Finally, the Commission denies all other requests by dPi for waivers of reporting requirements.

6. The Commission Staff shall monitor the activity of this Company.

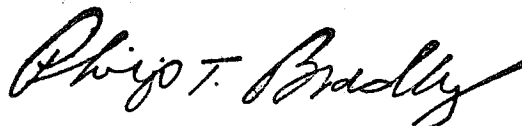
7. Title 23, Chapter 47, South Carolina Code of Laws Ann., governs the establishment and implementation of a "Public Safety Communications Center," which is more commonly known as a "911 system" or "911 service." Services available through a 911 system include law enforcement, fire, and emergency medical services. In recognition of the necessity of quality 911 services being provided to the citizens of South Carolina, the Commission hereby instructs dPi to contact the appropriate authorities regarding 911 service in the counties and cities where the Company will be operating. Contact with the appropriate 911 service authorities is to be made before beginning telephone service in South Carolina. Accompanying this Order is an information packet from the South Carolina Chapter of the National Emergency Number Association ("SC NENA") with contact information and sample forms. The Company may also obtain information by contacting the E911 Coordination at the Office of Information Resources of the South Carolina Budget and Control Board. By this Order and prior to providing services within South Carolina, dPi shall contact the 911 Coordinator in each county, as well as the 911 Coordinator in each city where the city has its own 911 system, and shall provide information regarding the Company's operations as required by the 911 system.

MARCH 30, 1999

PAGE 8

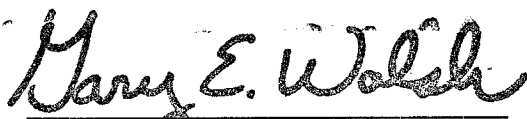
8. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:



Chairman

ATTEST:



Executive Director

(SEAL)

DOCKET NO. 98-640-C - ORDER NO. 1999-228
MARCH 30, 1999
ATTACHMENT A

**INFORMATION OF THE AUTHORIZED UTILITY
REPRESENTATIVES FOR INTEREXCHANGE, LOCAL
AND AOS COMPANIES**

PURSUANT TO SOUTH CAROLINA PUBLIC SERVICE COMMISSION
REGULATION 103-612.2.4(b), each utility shall file and maintain with the Commission
the name, title, address, and telephone number of the persons who should be contacted in
connection with Customer Relations/Complaints.

Company Name/DBA Name

Business Address

City, State, Zip Code

Authorized Utility Representative (Please Print or Type)

Telephone Number

Fax Number

E-Mail Address

This form was completed by Signature

If you have any questions, contact the Consumer Services Department at 803-737-5230

FILED
MAR 26 1999

ACCEPTED
Legal *W. J. 2/26/99*

S. C. PUBLIC SERVICE COMMISSION
RECEIVED
FEB 25 1999

BEFORE
THE PUBLIC SERVICE COMMISSION
OF
SOUTH CAROLINA
Docket No. 98-640-C

S. C. PUBLIC SERVICE COMMISSION
RECEIVED
FEB 25 1999
UTILITIES DEPARTMENT

Re: Application of dPi-Teleconnect, L.L.C. for a Certificate of Public
Convenience and Necessity to Provide Local Exchange
Telecommunications Services in the State of South Carolina

)
)
) **STIPULATION**
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)

The South Carolina Telephone Coalition ("~~SCTC~~") (see attachment "A" for list of companies) and dPi-Teleconnect, L.L.C. ("dPi") hereby enter into the following stipulations. As a consequence of these stipulations and conditions, the necessity for SCTC's intervention in this matter is avoided and SCTC withdraws its opposition to dPi's Application. SCTC and dPi stipulate and agree as follows:

1. SCTC does not oppose the granting of a statewide Certificate of Public Convenience and Necessity to dPi, provided the South Carolina Public Service Commission ("Commission") makes the necessary findings to justify granting of such a certificate, and provided the conditions contained within this stipulation are met.

2. dPi stipulates and agrees that any Certificate which may be granted will authorize dPi to provide service only to customers located in non-rural local exchange company ("LEC") service areas of South Carolina, except as provided herein.

RETURN DATE: _____
SERVICE: *okmr*

3. dPi stipulates that it is not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas.

4. dPi stipulates and agrees that it will not provide any local service, by its own facilities or otherwise, to any customer located in a rural incumbent LEC's service area, unless and until dPi provides such rural incumbent LEC and the Commission with written notice of its intent to do so at least thirty (30) days prior to the date of the intended service. During such notice period, the rural incumbent LEC will have the opportunity to petition the Commission to exercise all rights afforded it under Federal and State law. Also, dPi acknowledges that the Commission may suspend the intended date for service in rural LEC territory for ninety (90) days while the Commission conducts any proceeding incident to the Petition or upon the Commission's own Motion, provided that the Commission can further suspend the implementation date upon showing of good cause.

5. dPi stipulates and agrees that if, after dPi gives notice that it intends to serve a customer located in a rural incumbent LEC's service area, the Commission receives a Petition from the rural incumbent LEC to exercise its rights under Federal or State law, or the Commission institutes a proceeding of its own, then dPi will not provide service to any customer located within the service area in question without prior and further Commission approval.

6. dPi acknowledges that any right which it may have or acquire to serve a rural telephone company service area in South Carolina is subject to the conditions contained herein, and to any future policies, procedures, and guidelines relevant to such proposed service

which the Commission may implement, so long as such policies, procedures, and guidelines do not conflict with Federal or State law.

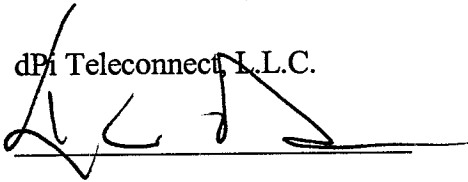
7. The parties stipulate and agree that all rights under Federal and State law are reserved to the rural incumbent LECs, and this Stipulation in no way suspends or adversely affects such rights, including any exemptions, suspensions, or modifications to which they may be entitled.

8. dPi agrees to abide by all State and Federal laws and to participate, to the extent it may be required to do so by the Commission, in the support of universally available telephone service at affordable rates.

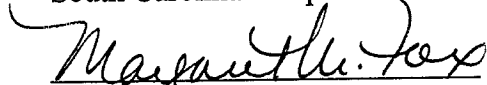
9. dPi hereby amends its application and its prefiled testimony in this docket to the extent necessary to conform with this Stipulation.

AGREED AND STIPULATED to this 25th day of February, 1999.

dPi Teleconnect, L.L.C.



South Carolina Telephone Coalition:



M. John Bowen, Jr.

Margaret M. Fox

McNair Law Firm, P.A.

Post Office Box 11390

(803) 799-9800

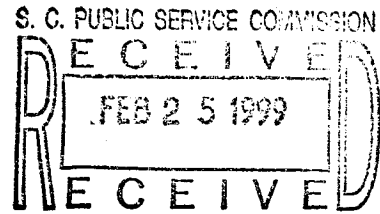
Attorneys for the South Carolina
Telephone Coalition

ATTACHMENT A
South Carolina Telephone Coalition Member Companies
for Purposes of Local Service Stipulation

ALLTEL South Carolina, Inc.
Bluffton Telephone Company, Inc.
Chesnee Telephone Company
Chester Telephone Company
Farmers Telephone Cooperative, Inc.
Ft. Mill Telephone Company
Hargray Telephone Company, Inc.
Heath Springs Telephone Company Inc.
Home Telephone Company, Inc.
Horry Telephone Cooperative, Inc.
Lancaster Telephone Company
Lockhart Telephone Company
McClellanville Telephone Company
Norway Telephone Company
Palmetto Rural Telephone Cooperative, Inc.
Piedmont Rural Telephone Cooperative, Inc.
Pond Branch Telephone Company
Ridgeway Telephone Company
Rock Hill Telephone Company
Sandhill Telephone Cooperative, Inc.
St. Stephen Telephone Company
West Carolina Rural Telephone Cooperative, Inc.
Williston Telephone Company

BEFORE
THE PUBLIC SERVICE COMMISSION
OF
SOUTH CAROLINA

Docket No. 98-640-C



Re: Application of dPi-Teleconnect, L.L.C. for a Certificate of Public
Convenience and Necessity to Provide Local Exchange
Telecommunications Services in the State of South Carolina
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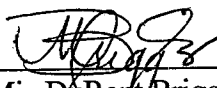
CERTIFICATE OF SERVICE

I, Mia DuRant Briggs, do hereby certify that this day I caused to have served the foregoing
Stipulation to the below named party of record, by having same delivered as indicated, this 25th day
of February, 1999, and addressed as follows:

U.S. MAIL - FIRST CLASS POSTAGE AFFIXED:

Kyle F. Dickson, Esquire
MAXWELL, BAKER & MCFATRIDGE, P.C.
225 South Shore Boulevard, Suite 410
League City, Texas 77573

John J. Pringle, Esquire ✓
Beach Law Firm
1321 Lady Street, Suite 310
Columbia, South Carolina 29211-1547



Mia DuRant Briggs

Columbia, South Carolina